

Message Text

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PAGE 01 STOCKH 04398 020828Z

45

ACTION EB-12

INFO OCT-01 EUR-25 EA-11 NEA-14 ISO-00 SP-03 AID-20 NSC-07

RSC-01 CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-03 IO-14 DODE-00 DRC-01 /189 W

----- 095566

R 020800Z OCT 74

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 3022

INFO AMEMBASSY BERN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY NEW DELHI

USMISSION OECD PARIS UNN

LIMITED OFFICIAL USE STOCKHOLM 4398

E.O. 11652: N/A

TAGS: EFIN, SW

SUBJECT: INDIAN DEBT RESCHEDULING

REF: STATE 212193

1. IN RESPONSE TO DEMARCHE BY ECON/COMM COUNSELOR, THE CHIEF
OF THE BILATERAL DIVISION OF MFA (T. PALMLUND) SAID HE WAS
FAMILIAR WITH AID CONSORTIA AND CREDITOR CLUB ACTIVITIES.
HE THOUGHT IT WOULD BE REGRETTABLE IF FUTURE DEBT RESCHEDULING
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PAGE 02 STOCKH 04398 020828Z

WERE TO BE PLACED IN THE FRAMEWORK OF CREDITOR CLUBS. HE

SAID THE WORLD BANK HAS PLAYED A "VERY USEFUL ROLE" AND NOTED THE DIFFICULTY OF DIFFERENTIATING BETWEEN DEVELOPMENT AID AND DEBT RESCHEDULING. HE WAS CONCERNED THAT EXPANDED USE OF CREDITOR CLUB ARRANGMENT WOULD WEAKEN THE ROLE OF THE WORLD BANK IN DEVELOPMENT AID. DESPITE CERTAIN CRITICISMS LEVIED IN THE PAST BY SWEDEN TOWARD WORLD BANK ACTIVITIES, HE FELT STRONGLY IN FAVOR OF THE BANK CONTINUING TO PLAY A KEY ROLE IN BOTH DEVELOPMENTAL AND DEBT RESCHEDULING ACTIVITIES.

2. WE POINTED OUT THAT OUR PROPOSED CHANGE IN HANDLING OF DEBT RELIEF WAS NOT POINTED TOWARD INDIA BUT WAS ONE WHICH, IF ADOPTED, WOULD BE APPLICABLE TO ALL FUTURE DEBT RESCHEDULING. PALMLUND TOOK NOTE OF THIS BUT DID NOT CHANGE HIS BASIC VIEW WHICH WAS TO LOOK UPON CREDITOR CLUBS WITH RESERVATIONS.

3. COMMENT. PALMLUND MAY BE REFLECTING SWEDISH CONCERN THAT THE DEVELOPING COUNTRIES WOULD HAVE A BETTER OPPORTUNITY OF HAVING THEIR VIEWS CONSIDERED OBJECTIVELY IN THE FRAMEWORK OF THE WORLD BANK THAN IN CREDITOR CLUBS WHERE THE LENDERS' VOICE POTENTIALLY WOULD BE PREDOMINANT. SWEDEN IN THIS CONNECTION WISHES TO BE KNOWN AS THE CHAMPION OF LDC'S.
STRAUSZ-HUPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT DEBTS, DEBT REPAYMENTS, CONSORTIUMS, MEETINGS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review History: RELEASED <20 MAR 2002 by martinml>; APPROVED <21 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005